

**MEMO# 13244**

March 12, 2001

## **POSSIBLE PRIORITIZATION OF ICI AFFILIATED TRANSACTION PROPOSALS**

[13244] March 12, 2001 TO: SEC RULES COMMITTEE No. 23-01 RE: POSSIBLE PRIORITIZATION OF ICI AFFILIATED TRANSACTION PROPOSALS In December 1998, the Institute submitted to the SEC staff a series of recommendations for new and amended rules concerning affiliated transactions.<sup>1</sup> The recommendations covered the following areas: (1) mergers of certain affiliated investment companies; (2) transactions involving subadvisory affiliates; (3) in-kind redemptions by affiliated persons; (4) investments in affiliated money market funds; (5) coincidental transactions; (6) riskless principal transactions; (7) transactions involving upstream affiliates; and (8) transactions involving affiliated portfolio companies. To date, the SEC has taken action on only one of these proposals, having issued a no-action position concerning in-kind redemptions by affiliated persons.<sup>2</sup> At the last meeting of the SEC Rules Committee, the Institute raised the possibility of suggesting to the SEC staff how they should prioritize the proposals that remain pending. We are interested in your views on how to prioritize these items. To assist you in considering this matter, a copy of the Institute's 1998 submission to the SEC is attached. If you have suggestions for how to prioritize the proposals, or if there are other affiliated transactions issues that should be considered, please contact me at (202) 326-5822 or by e-mail at frances@ici.org by Monday, April 2nd. Frances M. Stadler Deputy Senior Counsel Attachment Attachment (in .pdf format) 1 See Memorandum to SEC Rules Committee No. 126-98, dated December 11, 1998. 2 See Memorandum to SEC Rules Members No. 82-99, dated December 29, 1999 (transmitting Signature Financial Group, Inc. (pub. avail. December 28, 1999)).